

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 8074

BILL NUMBER: SB 404

DATE PREPARED: Apr 10, 2001

BILL AMENDED: Apr 9, 2001

SUBJECT: Certified Food Handlers.

FISCAL ANALYST: Kathy Norris

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires that, after December 31, 2004, every food establishment must have at least one certified food handler. The bill exempts certain food handling activities from the requirement to have a certified food handler. The bill requires a certified food handler to hold a certificate recognized by the Conference for Food Protection or an equivalent nationally recognized certification program as determined by the State Department of Health. The bill also preempts local health departments from: (1) regulating food handlers; (2) imposing any sanitary standards on or locally prescribing penalties for the violation of any state law or rule concerning food handling or food establishments; and (3) establishing any requirements or standards for the installation of food handling machinery in a food establishment. The bill further requires the State Department of Health to establish penalties for violations of the chapter.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) The Executive Board of the Department of Health is required to adopt rules that establish standards for the implementation of this bill. The Department would be required to recognize certification programs such as the Conference for Food Protection or other equivalent nationally recognized programs as requirements for certified food handlers in Indiana.

The number of potential food handlers is indeterminable, but is expected to be significant given the many different types of facilities that store, prepare, display, or serve food to the public. As an illustration of the potential number, the U.S. Census Bureau reports that in 1994, 34,500 food stores and 10,200 eating and drinking places were located in Indiana, for a total of 44,700 establishments. However, these figures may not include all establishments that would need a certified food handler. Other establishments whose primary focus is not food, such as drug stores; gasoline stations; amusement facilities; institutional cafeterias in schools, etc., may not be included in the data.

Costs for this bill will be determined by the rules adopted by the Department of Health. The cost associated with the promulgation of rules by the Department should be available within the current level of appropriations.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. According to the State Budget Agency's "General Fund Reversion Summary for State Fiscal Year 1999-2000", the Department of Health reverted \$993,931 in State General Funds at the end of FY 2000. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

In addition to the above, state and local facilities that provide food to the public could experience an increase in expenses. Requiring governmental facilities to employ certified food handlers could increase personnel costs, or the facilities could elect to pay for training of current employees. Facilities that provide food via contract may also experience an increase in costs if any additional expenses experienced by contractors are passed on to the governmental unit for whom the contractor provides services.

Explanation of State Revenues:

Explanation of Local Expenditures: See Explanation of State Expenditures, above.

Explanation of Local Revenues:

State Agencies Affected: Department of Health, state facilities and institutions that prepare food for patrons and the public in consideration of payment.

Local Agencies Affected: Local government facilities that offer food to the public.

Information Sources: Statistical Abstract of the United States, 1997; U.S. Department of Commerce; Bureau of the Census.